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COUNTRY Yugoslavia

**CONFIDENTIAL**

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THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH  
USE OF TRAINED INTELLIGENCE ANALYSTS

1. According to a decree of the Presidium of the Yugoslav Parliament issued on 9 January 1948, the Ministry of Industry was divided into two parts and two new ministers were appointed:

- a. Ministry for Heavy Industry  
b. Ministry for Light Industry

The Ministry for Heavy Industry is a central ministry with power extending over all of Yugoslavia; it is strongly centralized in its field of activity. Individual federal people's republics are unauthorized to organize ministries for heavy industry. The Ministry for Light Industry, on the other hand, is not a centralized ministry. Individual republics may therefore form such ministries.

2. There are sub-divisions for the individual industries within the ministries for industry - called directorates or general directorates. All industry in Yugoslavia at present is subordinate to these directorates, which are responsible for working out production schedules, directing production, distributing finished goods, as well as having direct control over individual industrial enterprises. A general director manages these general directorates. The general directorates are divided up into sections according to the following scheme:
- a. Section for production planning
  - b. Section for coordination of production
  - c. Various other political-administrative sections for the establishment of production in the individual branches.

Only the general directorates are authorized to make arrangements for procuring raw materials, machines and other necessary goods. Such an arrangement is necessary, in view of the present economic set-up, in order to assure a normal functioning of the individual factories and enterprises, which are actually component parts of the general directorates.

3. The plans set up by the general directorates concerning production and distribution of finished goods are carried out according to the terms of the law of 16 December 1947 on economic planning. As a result, individual industrial enterprises and their directors are only organs for the general directorate; they cannot take decisions on their own initiative concerning production and distribution matters. They are obliged to carry out the

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25X1

25X1A

CENTRAL INTELLIGENCE AGENCY

- 2 -

Five-Year Plan and to compete with similar enterprises in increasing production.

4. The following are the most important general directorates:

- a. General Directorate for Cellulose, Wood and Paper. Located in Ljubljana. This office has jurisdiction over all cellulose, cardboard, paper, glue, and paper working factories.
- b. General Directorate for Leather and Shoe Factories. Located in Belgrade. All leather, shoe, leather working, rubber and rubber products' factories are under the management of this office. Special attention is being given the former Data enterprise in Borovo.
- c. General Directorate for Glass Production. Located in Belgrade. This office manages all glass producing factories located in Pancevo, Cuprija, Zagreb, Ruzicka Slatina, etc.
- d. General Directorate for Cement Production - in Belgrade. This office directs numerous cement factories which before the war were mainly operated with foreign capital. The most important are the "Dalmacija" in Bocin, the Portland Cement Factory in Kastel-Sucurac, factories in Popova, Rajjana, the "Lepenac" factory and so on.
- e. General Directorate for Food Products Factories (such as spaghetti and macaroni). In addition to spaghetti and macaroni factories, this office manages breweries, yeast, liquor, sugar and zveiback factories.
- f. General Directorate for Wood and Construction Materials Factories. Located in Belgrade. All construction material companies are under the jurisdiction of this office - (with the exception of the cement industry).
- g. General Directorate for Textile and Silk Production. Located in Belgrade. Under this directorate are all textile and silk factories (silk factories in Pancevo and Novi Sad). Before the war the State exercised no control over these factories, with the exception of the "Kosta Ilic and Sons AG" syndicate, and "Vlada Teckarevic and Company".

The textile industry was largely under foreign control before the war, with the exception of the two above-mentioned enterprises.

- h. General Directorate for Linens and Rope Industries. Located in Belgrade.
- i. General Directorate for Food Industries. This office manages all packing houses and flour mills.
- j. General Directorate for the Iron Industry. Located in Belgrade. Until 1 September 1948, all iron working industrial plants not under the General Directorate for Heavy Industry were under this directorate.
- k. General Directorate for the Chemical Industry. Located in Belgrade. This office controls all enterprises in the chemical and pharmaceutical fields.

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25X1A

- 3 -

1. General Directorate for the Electrical Industry. Located in Belgrade. This has jurisdiction over all the large works, as well as many small capacity electro-mechanical works. Power plants (thermo and hydro-electric) do not belong in this category, since they come under the jurisdiction of the Ministry for the Development of Electric Power.
- m. General Directorate for the Graphic Industry. Located in Zagreb. All publishing houses and graphic businesses are managed by this office.
5. Every general directorate is assisted in its work by regional directorates corresponding to the federal people's republics. There are therefore seven subordinate directorates for every general directorate - in Serbia, Croatia, Bosnia-Herzegovina, Slovenia, Crna Gora, Macedonia and the autonomous area Vojvodina.
6. In each general directorate there are, besides the general directors, nine members of an administrative committee, all of whom belong to the Communist Party. The directorates in the individual people's republics are formed by a director assisted by two members of the administrative committee. This organization shows that Yugoslav industry is decentralized only in appearance. Actually it is strongly centralized in leadership, since regional directors are not authorized to make independent business transactions.
7. Formerly, industrial enterprises in Yugoslavia were classified in two groups: those working for defense, and the others. Today there are three groups:
  - a. Federal enterprises
  - b. Republic enterprises (enterprises in the individual republics)
  - c. Local enterprises

This classification was introduced for the purpose of camouflaging the extent of war industry. Enterprises in the first group are producing armaments and are directly serving to arm the country; those in the second group are indirectly contributing to war production; those in the last category are too small to contribute to the war program.

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